

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6795

BILL NUMBER: HB 1225

NOTE PREPARED: Dec 22, 2005

BILL AMENDED:

SUBJECT: Net Metering and Interconnection Rules.

FIRST AUTHOR: Rep. Dvorak

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Utility Regulatory Commission (IURC) to adopt emergency rules amending the IURC's net metering and interconnection rules for electric utilities. It requires that the amended rules must: (1) make net metering available to specified customer classes; (2) allow a generating facility with a nameplate capacity of five megawatts or less to interconnect to the distribution facility of an electric utility; (3) allow a net metering customer to interconnect a generating facility that makes use of specified technologies; and (4) allow an electric utility to limit the total nameplate capacity of all generating facilities interconnected with its distribution system to 2% of the utility's most recent summer peak load.

The bill also provides that the existing rules are void to the extent they do not comply with the requirements for the amended rules. It requires the IURC to report to the Regulatory Flexibility Committee on the IURC's progress in adopting the amended rules.

Effective Date: Upon passage.

Explanation of State Expenditures: This bill requires the IURC to adopt rules on net metering and interconnection of electric utilities and report to the Regulatory Flexibility Committee on its progress in adopting the rules. This proposal can be implemented within the IURC's existing staff and resources.

Background on IURC and Office of the Utility Consumer Counselor (OUCC) Funding: The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this

formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2005, fees from the utilities and fines generated approximately \$11.7 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IURC.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Valerie Ruda, 317-232-9867.